

EXHIBIT “G”

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SIMON D. ANDRIESZ vs BGC FINANCIAL, L.P.

January 09, 2024  
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1 Direct - Andriesz (Brickman)

2 Q. And if could you answer to the 11:42

3 Panel because -- 11:42

4 A. Oh, I'm sorry. 11:42

5 Q. -- those are the people who 11:42

6 would need to hear. 11:42

7 A. I'm so sorry. 11:42

8 Q. If you don't mind, Mr. Andriesz, 11:42

9 we're going to take something out of order 11:42

10 because it was something that Mr. Shah 11:42

11 seemed to concentrate on. 11:42

12 Did there come a time, 11:42

13 Mr. Andriesz, when you advised anyone at 11:42

14 BGC that if they persisted in treating you 11:42

15 poorly, that you were going to report 11:42

16 violations to the SEC? 11:42

17 A. Yes, I did. I reported to 11:42

18 the -- 11:42

19 Q. No, not who you reported to. 11:42

20 Did you tell anyone -- 11:43

21 A. Yes, I mean, I reported -- I 11:43

22 told the managing director for Cantor 11:43

23 Fitzgerald and BGC's head of HR. 11:43

24 Q. Who are they by name? 11:43

25 A. Patty Dreeste and I also told the 11:43

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1 Direct - Andriesz (Brickman)  
2 head of HR for BGC. They were both. 11:43  
3 Patty Dreeste was on a video call, and 11:43  
4 Dyanna Rosado was in the office. I was in 11:43  
5 the office with them. They were trying to 11:43  
6 pin letters of insubordination on me after 11:43  
7 the NFA audit when I returned to work and 11:43  
8 was reporting even more breaches in 11:43  
9 regulations. 11:43  
10 So I warned them that, yes, if 11:43  
11 you carry on doing this, I'm going to the 11:43  
12 SEC. And obviously I've been in the 11:43  
13 markets 35 years, so I know exactly how to 11:43  
14 do that. 11:43  
15 Q. Did there come a time -- 11:43  
16 CHAIRMAN KHEEL: Could you -- 11:43  
17 stop. 11:43  
18 Mr. Andriesz, could you put a 11:43  
19 date or time frame? I don't care how 11:43  
20 precise. 11:44  
21 THE WITNESS: Well, it would 11:44  
22 have been after the NFA when I was 11:44  
23 kept away from the NFA audit. Then it 11:44  
24 would have been after I came back from 11:44  
25 that that first leave. 11:44

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1 Direct - Andriesz (Brickman)  
2 CHAIRMAN KHEEL: Can you -- 11:44  
3 MR. BRICKMAN: February and 11:44  
4 March -- 11:44  
5 THE WITNESS: March 2016. So I 11:44  
6 was in their office on the 19th -- 11:44  
7 18th floor and that's when I said, If 11:44  
8 you carry on doing what you're doing, 11:44  
9 I'm going to go to the SEC. 11:44  
10 CHAIRMAN KHEEL: Thank you. 11:44  
11 BY MR. BRICKMAN: 11:44  
12 Q. As far as you were concerned, 11:44  
13 did they carry on with what they were 11:44  
14 doing? 11:44  
15 A. Yeah, I think that made them 11:44  
16 escalate their retaliation. 11:44  
17 Q. Without regard to the facts 11:44  
18 surrounding it, did there come a time, in 11:44  
19 fact, when you made written complaint to 11:44  
20 the SEC regarding your reasonable belief 11:44  
21 that BGC was engaged in violations of the 11:44  
22 securities regulations? 11:44  
23 A. Yes, I did and accounting for 11:44  
24 about GAAP reporting as well. 11:44  
25 Q. If you could, look at -- it's 11:45



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1 Direct - Andriesz (Brickman)

2 the SEC.

11:46

3 Q. And did you enlist his  
4 assistance in filing your complaint with  
5 the SEC?

11:46

11:46

11:46

6 A. Absolutely.

11:46

7 Q. And you see this is a letter  
8 that is addressed to you care of him.

11:46

11:46

9 Do you see that?

11:46

10 A. Yes.

11:46

11 Q. Did you, in fact, receive a copy  
12 of this letter from Mr. Hanks?

11:46

11:46

13 A. Yes.

11:46

14 Q. At or about the date indicated  
15 which is October 28, 2016?

11:46

11:46

16 A. That's right.

11:46

17 Q. And --

11:46

18 A. He was updating us on what had  
19 been accepted, and what had been submitted  
20 and to who.

11:46

11:46

11:46

21 Q. And the first sentence of this  
22 letter reads: Thank you for contacting  
23 the US Securities and Exchange Commission,  
24 SEC.

11:47

11:47

11:47

11:47

25 Do you see that?

11:47

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1 Direct - Andriesz (Brickman)

2 A. Yes. 11:47

3 Q. Had you, in fact, filed a 11:47  
4 written complaint with the SEC? 11:47

5 A. Yes. 11:47

6 Q. And had you registered the TRC 11:47  
7 form as a whistleblower with the SEC? 11:47

8 MR. SHAH: Objection. All of 11:47  
9 this has been leading, but this is 11:47  
10 important testimony so I'm going to 11:47  
11 object to leading. 11:47

12 BY MR. BRICKMAN: 11:47

13 Q. All right. What did you 11:47  
14 actually file with the SEC? 11:47

15 A. Well, I filed this but then in 11:47  
16 the -- 11:47

17 Q. You've got to tell me what 11:47  
18 "this" is. 11:47

19 A. Yeah. This letter, this was 11:47  
20 filed. And then later on when I was 11:47  
21 terminated within the time, I filed the 11:47  
22 form TCR. So if I was eligible for award, 11:47  
23 I followed that procedures exactly. 11:47

24 Q. But in terms of your filing a 11:47  
25 written complaint, what were the contents 11:47

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1 Direct - Andriesz (Brickman)

2 Q. Prior to October 26th of 2016,  
3 what, if anything, had you submitted to  
4 the SEC?

12:04

12:04

12:04

5 A. Sorry? In this submission or  
6 what I said to the company?

12:04

12:04

7 Q. No, this submission.

12:04

8 A. In here?

12:04

9 Q. Prior to October 26th, which is  
10 the date of Exhibit 301, had you submitted  
11 anything to the SEC?

12:04

12:04

12:04

12 A. Well, I was very specific with  
13 Daniel Hanks about what to file and gave  
14 him evidence and information.

12:04

12:04

12:04

15 Q. And what evidence and  
16 information did you give him?

12:04

12:04

17 A. Much like we've presented today,  
18 prior to this date, accounting fraud,  
19 breaches in regulations.

12:04

12:04

12:04

20 Q. As it related to what?

12:05

21 A. Breaches in regulations,  
22 supervision, the same things that they --  
23 that the company was sanctioned for,  
24 supervision, bookkeeping, regulatory  
25 breaches, offsetting and materializing

12:05

12:05

12:05

12:05

12:05

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1 Direct - Andriesz (Brickman)  
2 losses within the company for adverse 12:05  
3 lawsuits or rogue traders and 12:05  
4 materializing those losses on their own 12:05  
5 brokers and brokered revenue books. 12:05  
6 Bear in mind that I run a 12:05  
7 brokered pool which I distributed bonuses 12:05  
8 from. So it's not my personal pool. I 12:05  
9 get paid myself a bonus out of that 12:05  
10 commission. 12:05  
11 And Mr. Aubin's retaliation, 12:05  
12 that's why Mr. Aubin is being mentioned in 12:05  
13 this report. 12:05  
14 Q. Now, Mr. Andriesz -- 12:05  
15 CHAIRMAN KHEEL: Where did 12:05  
16 Mr. Aubin's name come up in this 12:05  
17 document? 12:05  
18 THE WITNESS: First line -- 12:05  
19 second line concerns regarding Cantor 12:05  
20 Fitzgerald and Jean-Pierre Rene Aubin. 12:05  
21 CHAIRMAN KHEEL: Thank you. 12:06  
22 BY MR. BRICKMAN: 12:06  
23 Q. Mr. Andriesz, subsequent to you 12:06  
24 through Mr. Hanks submitting this 12:06  
25 evidence, as you call it, to the SEC, did 12:06



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1 Direct - Andriesz (Brickman)

2 you advise anyone at BGC that you had made  
3 a submission to the SEC?

12:06

12:06

4 A. Yes, I told -- after they didn't  
5 heed my warnings, I told Patty Dreeste and  
6 Diana Rosado that I had reported to them,  
7 that I had reported to the SEC.

12:06

12:06

12:06

12:06

8 Q. And I just want to set --

12:06

9 A. And I believe I told Mr. Aubin,  
10 but that would have been in a private  
11 meeting.

12:06

12:06

12:06

12 Q. And just so we could set this in  
13 time, were you employed by BGC at the time  
14 you provided this evidence to Mr. Hanks to  
15 submit to the SEC?

12:06

12:06

12:06

12:06

16 A. Absolutely.

12:06

17 Q. Were you employed by BGC at the  
18 time you advised Ms. Rosado, Ms. Dreeste,  
19 and perhaps Mr. Aubin that you had  
20 submitted evidence to the SEC?

12:06

12:06

12:07

12:07

21 A. Yes, I was.

12:07

22 Q. And just one other question on  
23 this point and then we'll go back to the  
24 beginning of time.

12:07

12:07

12:07

25 While you were still employed by

12:07



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the SEC about that submission?

12:08

A. I spoke -- I believe the case was handled -- handed to Shannon Keyes and I -- and I asked that information from Mr. Hanks. I believe there are some e-mails to that effect.

12:08

12:08

12:08

12:08

12:08

And I -- that's who I spoke to, Shannon Keyes. And she was the lead investigator in the T&E fraud and the bookkeeping record, that she was the lead investigator.

12:08

12:08

12:08

12:08

12:08

So when Mr. Tovar -- when I filed my TCR, Shannon Keyes was the SEC investigator with whom I interviewed with another four investigators. It was a big room of investigators.

12:08

12:08

12:08

12:08

12:09

Q. All right. Going back --

12:09

CHAIRMAN KHEEL: Mr. Brickman, if you could -- this may be important. I want to be as close as we can to chronological dates where possible, recognizing it may not be to the 2nd of the month as opposed to a month or so.

12:09

12:09

12:09

12:09

12:09

12:09

12:09

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2 What I've heard so far -- and  
3 please correct me if I'm wrong -- is  
4 that the first communications with the  
5 SEC through Mr. Hanks took place in or  
6 about the end of October. And as  
7 you're testifying --

12:09

12:09

12:09

12:09

12:09

12:09

8 THE WITNESS: Yes.

12:09

9 CHAIRMAN KHEEL: And that you  
10 thereafter at some subsequent point  
11 had correspondence communications with  
12 Ms. Keyes and others.

12:09

12:09

12:09

12:09

13 THE WITNESS: Yes.

12:09

14 CHAIRMAN KHEEL: Is that the  
15 next day? The next week? The next  
16 month? The next year? Just give me a  
17 frame of reference as to the follow-up  
18 communications.

12:09

12:09

12:09

12:09

12:09

19 THE WITNESS: Well, I think  
20 Mr. Hanks was following up. And he  
21 was calling the SEC, and he informed  
22 me that Shannon Keyes is the  
23 investigator.

12:09

12:09

12:09

12:09

12:10

24 CHAIRMAN KHEEL: Was that the  
25 next week? The next month?

12:10

12:10

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1 THE WITNESS: That would be -- 12:10  
2  
3 CHAIRMAN KHEEL: In that time 12:10  
4 frame? 12:10  
5 THE WITNESS: Yeah, after he 12:10  
6 submitted it. And I was instructing a 12:10  
7 lawyer. I talked to Mr. Tovar. 12:10  
8 Mr. Tovar submitted my TCRs and then 12:10  
9 he took -- because he had taken over. 12:10  
10 He handled the communication. 12:10  
11 CHAIRMAN KHEEL: Mr. Tovar? 12:10  
12 THE WITNESS: Yeah. Mr. Tovar 12:10  
13 which would be in November 2016. 12:10  
14 CHAIRMAN KHEEL: That's the kind 12:10  
15 of data that's helpful to me, 12:10  
16 November. That's all I was trying to 12:10  
17 focus on is temporal issues. 12:10  
18 BY MR. BRICKMAN: 12:10  
19 Q. I just want to make sure we're 12:10  
20 clear. 12:10  
21 Your submission and the 12:10  
22 receipt -- to the extent 301 is a 12:10  
23 receipt -- and your initial conversations 12:10  
24 all occurred with the -- at least with the 12:10  
25 SEC while you were employed by BGC, 12:10

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1 Direct - Andriesz (Brickman)

2 correct?

12:10

3 A. That's correct.

12:10

4 Q. All right. Let's go back. I

12:10

5 just -- that was fresh in the Panel's

12:10

6 head, and I wanted to correct any

12:11

7 misapprehension that Mr. Shah might have

12:11

8 given with respect to this issue.

12:11

9 MR. SHAH: Can we have less

12:11

10 argument and more questioning perhaps?

12:11

11 BY MR. BRICKMAN:

12:11

12 Q. Mr. Andriesz, can you please

12:11

13 give the Panel a description of your

12:11

14 history within the financial services

12:11

15 industry?

12:11

16 A. Yes. I first started in 1989.

12:11

17 I started in 1989 in the financial

12:11

18 markets. This is London. This was when

12:11

19 the financial derivatives market was, late

12:11

20 '80s, was exploding, and I worked for a

12:11

21 Swiss Italian bank, called Banca della

12:11

22 Svizzera Italiana. It's -- third or

12:11

23 fourth biggest Swiss bank. And I joined

12:11

24 as a trainee trader.

12:11

25 So I went through their trader

12:11



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1 Direct - Andriesz (Brickman)  
2 interest in going to Nomura was I've 12:15  
3 always been very good at maximizing 12:15  
4 business and clients, so I brought in all 12:15  
5 my clients and all of my brokers into that 12:15  
6 institution. But, and I was -- I was able 12:15  
7 to enter into the -- the traders on the 12:15  
8 actual trading floor. 12:15

9 So I suddenly got a whole new 12:15  
10 group of clients from Nomura, their 12:15  
11 internal traders. And I'm giving them 12:15  
12 ideas and talking about market. 12:15

13 He started getting rid of 12:15  
14 everyone. So that element of the 12:16  
15 increased production from the internal 12:16  
16 business was disappearing, and the deal I 12:16  
17 was on was lower -- a commission deal was 12:16  
18 a lower percentage payout than I would 12:16  
19 have got at a brokerage. So it didn't 12:16  
20 make financially any sense, and we left 12:16  
21 off -- left off two years but we made them 12:16  
22 a huge amount of money. 12:16

23 Q. Where did you go? 12:16

24 A. I went to BGC. 12:16

25 Q. Where? Where in BGC? 12:16



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1 Direct - Andriesz (Brickman)

2 A. So I started in BGC I believe it 12:16  
3 was September 2012, around there. I took 12:16  
4 some time out of work. Had a lot of 12:16  
5 gardening leave. 12:16

6 And, yeah, I joined BGC and they 12:16  
7 poached me from Nomura. The ex-managing 12:16  
8 director who worked for Jean-Pierre Aubin, 12:16  
9 who was subsequently terminated, he -- he 12:16  
10 employed me on behalf of Jean-Pierre 12:16  
11 Aubin. And, you know, I had a long 12:16  
12 interview process. I had to, you know, 12:17  
13 obviously make sure the whole team was on 12:17  
14 hold. It was a complex -- 12:17

15 Q. What position did you accept at 12:17  
16 BGC Partners London UK? 12:17

17 A. Oh, I accepted a managing 12:17  
18 director position. But when I -- when I 12:17  
19 received the contract, they deliberately 12:17  
20 excluded the managing director position 12:17  
21 and made me head of the London division. 12:17  
22 That's not what was agreed. 12:17

23 Q. What was -- what were -- what 12:17  
24 were you doing for BGC broker -- Partners? 12:17

25 A. I basically came into a London 12:17

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1 Direct - Andriesz (Brickman)  
2 division, which had the business was 12:17  
3 nonexistent, and they had brokers there 12:17  
4 who -- when I arrived, Mr. Aubin gave me a 12:17  
5 list of brokers that I had to sort out. I 12:17  
6 was quite shocked because many of those 12:17  
7 brokers weren't -- were no longer employed 12:17  
8 by the company. So I was surprised that 12:17  
9 he didn't know who -- who the team was. 12:17

10 So I brought my team in. We 12:17  
11 plugged all the customers in and started 12:17  
12 trading in the futures and options 12:18  
13 markets, predominantly options on rate -- 12:18  
14 on rate and bond markets. 12:18

15 Q. And I'm just curious. 12:18

16 Is BGC Brokers in the UK an 12:18  
17 inter-dealer broker? 12:18

18 A. It's an inter-dealer broker, but 12:18  
19 we're not -- in the futures division, it's 12:18  
20 not an inter-dealer broker business is say 12:18  
21 you're facing the hedge -- mainly I speak 12:18  
22 to hedge funds. So it's not an essential 12:18  
23 connecting of bank to bank, who are -- the 12:18  
24 bank is seeing the hedge fund flow and -- 12:18  
25 and then they are matching them with 12:18

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1 Direct - Andriesz (Brickman)

2 another bank counterparty. That's an 12:18

3 inter-dealer broker. 12:18

4 Q. All right. Just so the Panel 12:18

5 knows some names we're going to talk 12:18

6 about, when you were in BGC Brokers in 12:18

7 London, who was your direct supervisor? 12:18

8 A. Jean-Pierre Aubin. 12:18

9 Q. Was Mr. Velez -- Roberto Velez 12:18  
10 employed? 12:19

11 A. Roberto Velez was on the London 12:19  
12 equity -- he was head of the London equity 12:19  
13 division, so he was then working in 12:19  
14 London. But previous to that, he had been 12:19  
15 employed in BGC Financial. And he was 12:19  
16 also on the executive team, so he was 12:19  
17 privy to the decisions of the highest 12:19  
18 executives in the company. 12:19

19 CHAIRMAN KHEEL: Mr. Brickman, 12:19  
20 can I just interrupt you? 12:19

21 MR. BRICKMAN: Sure. 12:19

22 CHAIRMAN KHEEL: You mentioned 12:19  
23 earlier BGC. You used the word 12:19

24 "Partners" in some questions. Now 12:19

25 I've heard the word "Brokers" and now 12:19

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|    |   |       |
|----|---|-------|
| 1  | Direct - Andriesz (Brickman)              |       |
| 2  | of determining how much bonus should      | 12:22 |
| 3  | be distributed?                           | 12:22 |
| 4  | THE WITNESS: Exactly.                     | 12:22 |
| 5  | CHAIRMAN KHEEL: Thank you.                | 12:22 |
| 6  | BY MR. BRICKMAN:                          | 12:22 |
| 7  | Q. Simon, how long did you stay           | 12:22 |
| 8  | with BGC Brokers?                         | 12:22 |
| 9  | A. Until they promoted me in              | 12:22 |
| 10 | November 2014.                            | 12:22 |
| 11 | Q. All right. Let's just --               | 12:23 |
| 12 | A. So they promoted me to the             | 12:23 |
| 13 | managing director position that I already | 12:23 |
| 14 | agreed when I came.                       | 12:23 |
| 15 | Q. Was it still in London?                | 12:23 |
| 16 | A. I was still in London until            | 12:23 |
| 17 | November 2014, and that's when Mike       | 12:23 |
| 18 | Riffice was terminated, my predecessor,   | 12:23 |
| 19 | for insubordination. And I took over      | 12:23 |
| 20 | his -- they gave me his role, also the    | 12:23 |
| 21 | London division.                          | 12:23 |
| 22 | Q. We'll get to that. If you can          | 12:23 |
| 23 | go to Book No. 1.                         | 12:23 |
| 24 | Now we'll go back to                      | 12:23 |
| 25 | chronological order so it makes sense.    | 12:23 |



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1 Direct - Andriesz (Brickman)

2 managing director at a brokerage house.

12:31

3 And I can vouch for that, quite  
4 clearly is very different.

12:31

12:31

5 Q. How did you do at BGC Brokers?

12:31

6 A. Oh, I had record performance.

12:31

7 Q. What does that mean?

12:32

8 A. I took the business from nothing  
9 in one year to a \$7 million business. The  
10 company had offered me a windfall bonus if  
11 I hit a certain target, which I believe  
12 was 10, 12 million. I think over that  
13 period over 18 months, I think we just  
14 missed the target.

12:32

12:32

12:32

12:32

12:32

12:32

12:32

15 We missed the target because  
16 Mr. Aubin interfered with my clients and  
17 hedge funds and was giving the names of  
18 those brokers to those brokers of my  
19 clients. One of them was the biggest  
20 producer in the company. He spoke to the  
21 head of that hedge fund.

12:32

12:32

12:32

12:32

12:32

12:32

12:32

22 And by the time I had even  
23 started, this guy was speaking to my  
24 client because Mr. Aubin had tipped him  
25 off. So we didn't meet the target which

12:32

12:32

12:32

12:32



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1 Direct - Andriesz (Brickman)  
2 we could have easily done because of 12:32  
3 Mr. Aubin's involvement which was 12:33  
4 obviously to prevent me from hitting the 12:33  
5 target. 12:33

6 But I think we did probably 12:33  
7 \$10 million. We were about a million -- 12:33

8 Q. During the time that you were 12:33  
9 working for London for BGC Broker or 12:33  
10 whatever other name it went by, were you 12:33  
11 ever given a conduct warning of any sort? 12:33

12 A. Never. 12:33

13 Q. Were you ever -- did you ever 12:33  
14 have any regulatory blemish? 12:33

15 A. No, as you said, I have never 12:33  
16 had one. 12:33

17 Q. There were times during your 12:33  
18 employment in London where the name of 12:33  
19 your employer was changed, correct? 12:33

20 A. I was BGC Brokers and then 12:33  
21 became BGC Financial in 2014. 12:33

22 (Whereupon, Exhibit 12, 12:33  
23 Employment transfer document, was 12:33  
24 identified.) 12:33

25 BY MR. BRICKMAN: 12:33

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1 Direct - Andriesz (Brickman)

2 A. This is a transfer to BGC 12:38  
3 Services Holding. 12:38

4 Q. Well, are you transferring from 12:38  
5 BGC Holdings LLP to BGC Holdings LLP? 12:38

6 A. Well, yeah. It's the same 12:38  
7 confirmation, yes. 12:38

8 Q. Does it make any sense to you? 12:38

9 A. Absolutely not. 12:38

10 Q. All right. Now, how did it 12:38  
11 happen that you even learned of this new 12:38  
12 job in New York? 12:38

13 A. Everyone knew what happened to 12:38  
14 Michael Riffice. 12:38

15 Q. And what was that? 12:38

16 A. He came to blows with 12:38  
17 Jean-Pierre Aubin over contractual 12:38  
18 payouts, market maker revenue, CME 12:38  
19 rebates. He came to blow -- he had 12:38  
20 uncovered fraudulent activity related to 12:39  
21 share units. 12:39

22 Q. Well, what happened to him? 12:39

23 A. He was fired for 12:39  
24 insubordination. I mean what actually 12:39  
25 happened is that Shaun Lynn, the head 12:39

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1 Direct - Andriesz (Brickman)  
2 of -- the CEO of London, had given him 12:39  
3 additional work to perform on behalf of 12:39  
4 the group. And -- and Michael Riffice did 12:39  
5 that work, but he wasn't compensated by 12:39  
6 Jean-Pierre Aubin. 12:39

7 And that's my entire career 12:39  
8 working with Jean-Pierre Aubin's standard 12:39  
9 practice. 12:39

10 MR. SHAH: I'm going to move to 12:39  
11 strike the last testimony as being 12:39  
12 without foundation. 12:39

13 MR. BRICKMAN: My question is, 12:39  
14 and you've got to listen to it very 12:39  
15 carefully because I'll reword the 12:39  
16 question. 12:39

17 CHAIRMAN KHEEL: Thank you. 12:39

18 BY MR. BRICKMAN: 12:39

19 Q. Did someone tell you what had 12:39  
20 happened to Mike Riffice? 12:39

21 A. It was common knowledge around 12:39  
22 the company. But probably Jon McLachlan, 12:39  
23 I found out from him. That's where the 12:40  
24 job opportunity came I guess. 12:40

25 Q. Well, did you apply for this job 12:40

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1 Direct - Andriesz (Brickman)  
2 or did someone approach you about this new 12:40  
3 job? 12:40  
4 A. They offered the job to me. 12:40  
5 Q. Who offered the job to you? 12:40  
6 A. Jean-Pierre Aubin. 12:40  
7 Q. What did he say? 12:40  
8 CHAIRMAN KHEEL: Before we get 12:40  
9 to what he said, what time frame are 12:40  
10 we talking about? 12:40  
11 MR. BRICKMAN: 2015. 12:40  
12 THE WITNESS: 2014 -- I was 12:40  
13 offered the job in 2014. And I 12:40  
14 joined -- 12:40  
15 CHAIRMAN KHEEL: These may or 12:40  
16 may not be important. It would help 12:40  
17 me. 12:40  
18 When you were offered a job, you 12:40  
19 were offered a job on January 1st, 12:40  
20 July 1st, you know, the fall of '14. 12:40  
21 Can you give us a time 12:40  
22 reference? 12:40  
23 THE WITNESS: It would have been 12:40  
24 second half of 2014. Probably nearer 12:40  
25 to, like, after the summer I would 12:40



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1 Direct - Andriesz (Brickman)

2 say.

12:40

3 CHAIRMAN KHEEL: That's the kind

12:40

4 of answer that would be helpful to me.

12:40

5 THE WITNESS: Yeah. Sure.

12:40

6 BY MR. BRICKMAN:

12:40

7 Q. And do you recall what he said

12:40

8 to you about this opportunity?

12:40

9 A. He described the role that I was

12:41

10 taking over running the London desk,

12:41

11 running the New York desk, running the

12:41

12 Chicago desk, the supervision, and I had

12:41

13 to become a Series 30.

12:41

14 Q. And did he pitch this to you as

12:41

15 a promotion? As a demotion?

12:41

16 A. Absolutely -- well, absolutely.

12:41

17 He's saying I'm managing director --

12:41

18 started go down that -- saying what he was

12:41

19 a managing director, but he promoted me to

12:41

20 a managing director.

12:41

21 And he told me, Go and sort the

12:41

22 mess out that Mike Riffice has created in

12:41

23 New York because they are losing money.

12:41

24 Q. So then London -- you said

12:41

25 you -- the new position was the New York

12:41



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1 Direct - Andriesz (Brickman)  
2 desk, the London desk, and the Chicago 12:41  
3 desk, correct? 12:41  
4 A. That's correct. 12:41  
5 Q. Was it the same London desk that 12:41  
6 you had been managing or was it a 12:41  
7 different one? 12:41  
8 A. It was that same. 12:41  
9 So my producer team that I came 12:41  
10 in with and the brokers I inherited, I 12:42  
11 still had the overall supervision, 12:42  
12 although not the day-to-day supervision 12:42  
13 because I obviously wasn't there, and 12:42  
14 distribution of that bonus pool. So 12:42  
15 everything in London remained the same. 12:42  
16 Q. And you remained the manager of 12:42  
17 that desk? 12:42  
18 A. Absolutely. Absolutely. 12:42  
19 Q. And the -- were there additional 12:42  
20 responsibilities assigned to you? 12:42  
21 A. After the contract? After the 12:42  
22 offer? Yes. I had to become a Series 30 12:42  
23 branch manager signatory, not the desk 12:42  
24 signatory. 12:42  
25 CHAIRMAN KHEEL: Responsible for 12:42

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1 Direct - Andriesz (Brickman)

2 A. November 2016 I arrived in 12:45  
3 New York, and that's when I signed my 12:45  
4 contract subsequently. 12:45

5 Q. Which is dated January 21? 12:45

6 A. Yes. As I said, it started 12:45  
7 November. But, you know, I hadn't been 12:45  
8 given enough time to review the contract, 12:45  
9 so I reviewed the contract under duress. 12:45

10 Q. Was -- at the time you signed 12:45  
11 this contract, this is January 21, 2015, 12:45  
12 had you already taken the Series 30 test? 12:45

13 A. I took the Series 30 when I 12:45  
14 arrived. I had two weeks to study, and I 12:45  
15 passed the exam the first time. 12:45

16 Q. And can you tell the Panel what, 12:45  
17 if anything, BGC did in terms of having 12:45  
18 someone supervise the New York desk before 12:45  
19 you obtained your Series 30? 12:46

20 A. Post Mike Riffice being 12:46  
21 terminated, the Series 30 role was given 12:46  
22 to a nondesk broker to -- I think she was 12:46  
23 in probably in accounts or something. 12:46  
24 Kristi Haas. 12:46

25 Q. H-A-A-S? 12:46

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1 Direct - Andriesz (Brickman)

2 A. Yeah. So she wasn't a broker. 12:46

3 She didn't have any experience on a 12:46

4 trading desk or supervision or regulatory 12:46

5 controls. 12:46

6 Q. What, if anything, were you 12:46

7 asked to do with respect to Ms. Haas 12:46

8 taking over? 12:46

9 A. Jon McLachlan asked me prior to 12:46

10 arriving in New York, so before 12:46

11 November 2016, said that she had been 12:46

12 doing the Series 30 and she needed to be 12:46

13 compensated for extra money for taking on 12:46

14 the role. So Jon McLachlan asked me to 12:46

15 pay \$15,000 out of my personal bank 12:47

16 account offline to her personal bank 12:47

17 account. And HR New York and Jon 12:47

18 McLachlan gave me her bank account 12:47

19 details. 12:47

20 He also said -- I initially 12:47

21 refused, but why I ended up paying it is 12:47

22 because he said the CEO of New York, Lou 12:47

23 Scotto would be furious at me if I didn't 12:47

24 pay it for her services, and said that 12:47

25 wouldn't be a good start for you. 12:47

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1 Direct - Andriesz (Brickman)  
2 the CEO. This is not normal behavior.  
3 It's like this.

12:48

12:48

4 Q. What, if anything, did you  
5 discuss with Mr. McLachlan about being  
6 reimbursed for this \$15,000?

12:48

12:48

12:48

7 A. I said in the first quarter, you  
8 have to pay this money back.

12:48

12:48

9 Q. Jumping ahead, what, if  
10 anything, happened in terms of the  
11 reimbursement of that \$15,000?

12:48

12:49

12:49

12 A. They wouldn't pay it. They  
13 refused to pay it.

12:49

12:49

14 So would you allow me to say  
15 what I did?

12:49

12:49

16 Q. Yeah.

12:49

17 A. So I'm thinking, this is absurd.  
18 So I went to Lou Scotto, the CEO of the  
19 New York office. I went into his office  
20 and said, I've been asked to pay this  
21 offline but -- and I was told by Jon  
22 McLachlan that you instructed me to pay to  
23 cover the Kristi Haas.

12:49

12:49

12:49

12:49

12:49

12:49

12:49

24 And he said, Simon, I never  
25 asked you to pay that amount. It was

12:49

12:49



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1 Direct - Andriesz (Brickman)

2 Jean-Pierre Aubin. I asked him to 12:49

3 reimburse me to cover the cost of my -- 12:49

4 the Series 30 in New York. 12:49

5 So he hadn't asked me, and I had 12:49

6 been -- they'd levelled threats that he 12:49

7 would be upset. And, in fact, it was 12:49

8 Mr. Aubin who had arranged the deal. 12:49

9 Q. And did you ultimately receive 12:49  
10 the \$15,000 reimbursement? 12:50

11 A. Eventually, but it was paid 12:50  
12 through the bonus, so obviously, it was 12:50  
13 liable for tax and 10 percent altercation 12:50  
14 of share units, I believe. 12:50

15 Q. You received \$15,000 less tax 12:50  
16 less -- 12:50

17 A. It was paid through the bonus 12:50  
18 pool. So I've already paid tax on my 12:50  
19 \$15,000, and now I'm getting it through 12:50  
20 the bonus pool. 12:50

21 Q. When you first arrived in 12:50  
22 New York to accept this position, did BGC 12:50  
23 pay you immediately upon your arrival? 12:50

24 A. No, they did not. 12:50

25 Q. Can you explain to the Panel 12:50

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1 Direct - Andriesz (Brickman)

2 what, if anything, happened with regard to 12:50  
3 your pay? 12:50

4 A. Well, one of the conditions that 12:50  
5 Mr. Aubin put on me was that I had to 12:50  
6 travel back from New York to London once a 12:50  
7 month, which was a heavy -- it was a big 12:50  
8 ask to do that. It was very difficult. 12:50

9 And also I was traveling through 12:50  
10 border control once a month. The border 12:50  
11 control process, they take your Social 12:51  
12 Security because you're not in the country 12:51  
13 long enough. 12:51

14 So they literally just didn't 12:51  
15 pay me as a managing director. It created 12:51  
16 huge amounts of anxiety, and I'm 12:51  
17 struggling to pay my rent. 12:51

18 And the reason being, as 12:51  
19 Mr. Shah mentioned, I had ultimately 12:51  
20 almost completed my divorce proceedings in 12:51  
21 2014. Until the -- I actually got to 12:51  
22 court in early 2015, then -- then my 12:51  
23 assets were frozen. 12:51

24 So I can't go off just spending 12:51  
25 money as I want because I am -- this is 12:51

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1 Direct - Andriesz (Brickman)  
2 all up for in debate in a court filing. 12:51  
3 So they didn't pay me for -- I 12:51  
4 believe it was four months. In the end I 12:51  
5 was so stressed about it. I went to 12:51  
6 Shawn, not Shawn -- Lou Scotto again and 12:52  
7 he took over the -- my rental. They took 12:52  
8 over my rental directly. 12:52  
9 Q. We'll get to that in a second. 12:52  
10 Just looking, if we could, at 12:52  
11 what has been admitted into evidence as 12:52  
12 Exhibit 38. 12:52  
13 (Whereupon, Exhibit 38, 12:52  
14 Document, admitted was identified.) 12:52  
15 BY MR. BRICKMAN: 12:52  
16 Q. And if you could turn to Section 12:52  
17 3, which is I believe on the second page 12:52  
18 of the document. 12:52  
19 Can you explain to the Panel how 12:52  
20 you were to be compensated? 12:52  
21 A. Sorry. Is this Section 3(a)300 12:52  
22 and the draw? 12:52  
23 Q. And the salary and the bonus 12:52  
24 part. 12:52  
25 A. Well, the salary is not salary. 12:52

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1 Direct - Andriesz (Brickman)  
2 involvement, if any, you had with her 01:52  
3 recruitment to BGC? 01:52  
4 A. She was a producer who worked 01:52  
5 for me at MF Global. She was a producer 01:52  
6 who worked for me and a highly productive 01:52  
7 producer. Spoke to some very big hedge 01:52  
8 fund clients. 01:52  
9 She went to a company called 01:52  
10 Drags (phonetic) and then moved to 01:52  
11 Tradition in Singapore. Elise is a very 01:52  
12 good friend and colleague. We stayed in 01:52  
13 touch the entire time. She said she had 01:52  
14 left Singapore after Tradition, and I 01:52  
15 think she went back to Israel for a little 01:52  
16 while. 01:53  
17 And, yeah, she wanted to come 01:53  
18 and work with me because she trusted me 01:53  
19 and she had had a very bad experience at 01:53  
20 previous brokerages. And so I engaged 01:53  
21 Mr. Aubin who was very familiar with who 01:53  
22 Elise Choukroun was. 01:53  
23 In fact, when I was in the 01:53  
24 London office, he had tried to hire with 01:53  
25 me and offered her a 300,000 pound bonus, 01:53



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1 Direct - Andriesz (Brickman)  
2 upfront bonus, to come into the company. 01:53  
3 So obviously we all valued her. 01:53  
4 So I came back to Mr. Aubin -- 01:53  
5 would have been in 2000 -- 2014. And I 01:53  
6 had said there's a big opportunity here to 01:53  
7 hire Elise, and I set the wheels in motion 01:53  
8 by going through the correct channels in 01:53  
9 hiring someone, raising the contract CRF, 01:53  
10 and handed over to our compliance and 01:54  
11 legal departments, as I would have done 01:54  
12 when I hired hundreds of other people at 01:54  
13 the bank. 01:54  
14 So that's -- that wasn't my 01:54  
15 responsibility. And I went to Annette 01:54  
16 Fong, the head of compliance in London, 01:54  
17 and the legal departments to initiate the 01:54  
18 contracts and to -- 01:54  
19 Q. Where did Elise want to work? 01:54  
20 A. I wanted her to work in London 01:54  
21 because it made the process much simpler. 01:54  
22 But because she worked in Singapore and I 01:54  
23 think her children had gone to school in 01:54  
24 Singapore, she wanted to return there 01:54  
25 which made it out of my jurisdiction. 01:54

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1 Direct - Andriesz (Brickman)

2 So that's exactly why I handed 01:54  
3 over to the senior executives to process 01:54  
4 because I'm on the front line trading. I 01:54  
5 don't issue contracts, and I don't look at 01:54  
6 the legal documents involved in that. I 01:54  
7 understand them, but it's not -- it's not 01:54  
8 my job to do that. 01:55

9 Q. In connection with these 01:55  
10 discussions, did Elise have occasion to 01:55  
11 visit BGC's Singapore office? 01:55

12 A. I think she went there; and she 01:55  
13 was pretty shocked that it didn't seem 01:55  
14 like a real office, that it seemed like 01:55  
15 just, you know -- it wasn't many -- there 01:55  
16 wasn't much there. She said she was very 01:55  
17 shocked that it somehow wasn't a 01:55  
18 legitimate office. 01:55

19 Q. Did she report that to you? 01:55

20 A. Yeah, she said it's weird. The 01:55  
21 place is weird. 01:55

22 Q. And did you report that to 01:55  
23 anyone else? 01:55

24 A. I spoke to Jon McLachlan, 01:55  
25 mentioned it to Webster, Aubin about the 01:55

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1 Direct - Andriesz (Brickman)

2 Q. If we can turn to Exhibit 45.

01:57

3 A. Probably me or another senior  
4 manager.

01:57

01:57

5 Q. Well, if we could look at

01:57

6 Exhibit 45 which is a front office

01:57

7 contract request form for Elise Choukroun.

01:57

8 (Whereupon, Exhibit 45, Front

01:57

9 office contract request form, was

01:57

10 identified.)

01:57

11 A. Yeah, I would raise it. Once

01:57

12 it's raised, it gets signed off.

01:57

13 BY MR. BRICKMAN:

01:58

14 Q. This is not your signature, is

01:58

15 it? It's Mark Webster?

01:58

16 A. It's Mark Webster's signature.

01:58

17 So I'd raised it and, like I said, handed

01:58

18 it over to relevant areas to process

01:58

19 because it's not my job to process

01:58

20 application.

01:58

21 Q. And just so we're clear, on the

01:58

22 document that Mr. Webster signed,

01:58

23 Exhibit 45, what would be the employing

01:58

24 company be for Ms. Choukroun?

01:58

25 A. It's to work in the Hong Kong

01:58

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1 Direct - Andriesz (Brickman)  
2 office for two months while obtaining a 01:58  
3 futures license. 01:58  
4 Q. No, no. Look at the front page. 01:58  
5 And I'm asking, what's the -- 01:58  
6 THE WITNESS: Sorry. What's the 01:58  
7 problem? 01:58  
8 MR. SHAH: He interrupted your 01:58  
9 testimony. 01:58  
10 BY MR. BRICKMAN: 01:58  
11 Q. -- there's a sheet that says: 01:58  
12 Employing company -- not a sheet -- a line 01:58  
13 item saying: Employing company. 01:58  
14 Do you see it? It's about -- I 01:58  
15 want to say four-ninths of the way. 01:58  
16 A. BGC Partners Singapore. 01:58  
17 Q. Limited? 01:59  
18 A. Limited. Yeah. 01:59  
19 Q. Were you employed by them? 01:59  
20 A. No. 01:59  
21 Q. Did you have any managing 01:59  
22 authority over any of their employees? 01:59  
23 A. No, no. 01:59  
24 Q. And looking, if we could, at the 01:59  
25 second page, there's some handwritten 01:59



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|    |  |       |
|----|--|-------|
| 1  | Direct - Andriesz (Brickman)             |       |
| 2  | said Water. They didn't understand       | 02:07 |
| 3  | where I was going.                       | 02:07 |
| 4  | CHAIRMAN KHEEL: Got it. Thank            | 02:07 |
| 5  | you.                                     | 02:07 |
| 6  | MR. BRICKMAN: Just bear with me          | 02:08 |
| 7  | one second. I apologize.                 | 02:08 |
| 8  | BY MR. BRICKMAN:                         | 02:09 |
| 9  | Q. Was Mr. Anthony -- did you            | 02:09 |
| 10 | supervise Mr. Anthony?                   | 02:09 |
| 11 | A. It listed -- anything he was          | 02:09 |
| 12 | trading in listed derivatives would have | 02:09 |
| 13 | come on to my Series 30 function.        | 02:09 |
| 14 | CHAIRMAN KHEEL: So is the                | 02:09 |
| 15 | answer yes?                              | 02:09 |
| 16 | THE WITNESS: Yes. Thank you.             | 02:09 |
| 17 | BY MR. BRICKMAN:                         | 02:09 |
| 18 | Q. Did you express any compliance        | 02:09 |
| 19 | concerns with respect to Mr. Anthony's   | 02:09 |
| 20 | trading?                                 | 02:09 |
| 21 | A. Yes, I did.                           | 02:09 |
| 22 | Q. Well, first of all, did you sit       | 02:09 |
| 23 | at the same -- on the same floor as      | 02:09 |
| 24 | Mr. Anthony?                             | 02:09 |
| 25 | A. No.                                   | 02:09 |

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1 Direct - Andriesz (Brickman)

2 Q. Where did you sit as compared to 02:09  
3 where he sat? 02:09

4 A. I was on the 18th floor. He was 02:09  
5 on the 19th floor. 02:09

6 So just to give the Panel some 02:09  
7 information, it's not a huge trading floor 02:09  
8 where you have 500 people. It's a 02:09  
9 relatively small -- two small trading 02:09  
10 rooms. So there's not a vast amount of 02:09  
11 brokers working out of that office. 02:09

12 But in London it was quite 02:09  
13 different. It was a massive trading room. 02:09

14 Q. All right. What were your 02:10  
15 compliance concerns regarding Mr. Anthony? 02:10

16 A. Transaction of trades. He 02:10  
17 was -- he was breaking regulations in how 02:10  
18 he was executing trades and blocking 02:10  
19 trades with market makers through the 02:10  
20 price. 02:10

21 Q. Again, explain that. 02:10

22 A. So, if he has -- if he wants -- 02:10  
23 he's selling a number of VIX options, so 02:10  
24 the price is, say it's a 20 bid. He's 02:10  
25 going to a market maker to the banks or 02:10

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1 Direct - Andriesz (Brickman)  
2 20 bid, 19 bid, 17 bid, he goes and blocks 02:10  
3 the entire amount, massive trade, 100,000 02:10  
4 VIX, one of the most volatile contracts 02:10  
5 around, and he goes and trades that with 02:10  
6 two market makers. 02:11  
7 That's busting the market. And 02:11  
8 all the bank -- all the companies' 02:11  
9 clients -- JPMorgan, Goldman's -- they are 02:11  
10 all coming on and complaining to Bob Velez 02:11  
11 that he has busted the market. 02:11  
12 CHAIRMAN KHEEL: Mr. Andriesz, 02:11  
13 can I ask just you, you used the word 02:11  
14 "blocks." 02:11  
15 That means buys? 02:11  
16 THE WITNESS: Block is -- so you 02:11  
17 can go to the market and trade with 02:11  
18 counterparties who are bidding at a 02:11  
19 better price. And as a broker, you 02:11  
20 have to follow regulations and better 02:11  
21 execution. 02:11  
22 So I need to do the best by my 02:11  
23 client, which in Anthony he was 02:11  
24 trading with a market maker at the 02:11  
25 disadvantage of the client and 02:11

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1 Direct - Andriesz (Brickman)

2 blocking the entire amount.

02:11

3 So instead of splitting that

02:11

4 \$100,000 with 10 counterparties, like

02:11

5 JPMorgan, Goldman's, for instance, who

02:11

6 are bidding the proper price, he goes

02:11

7 off the market. And it's a blockable

02:11

8 amount; that means you can trade it

02:11

9 and then put it through a block on --

02:11

10 through the Exchange.

02:11

11 CHAIRMAN KHEEL: Who did he

02:12

12 block it with?

02:12

13 THE WITNESS: BlackRock.

02:12

14 CHAIRMAN KHEEL: Okay. So he's

02:12

15 buying effectively in BlackRock.

02:12

16 THE WITNESS: He's trading on

02:12

17 behalf -- he gets the order from

02:12

18 BlackRock, sell 100,000 VIX options

02:12

19 or -- I think it was VIX options --

02:12

20 and he goes and transacts it. But he

02:12

21 has a regulatory obligation to conduct

02:12

22 best execution on the behalf of his

02:12

23 client.

02:12

24 That's not what he did. He went

02:12

25 to the market maker and blocked it,

02:12



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1 Direct - Andriesz (Brickman)

2 100,000 VIX, which is an astronomical

02:12

3 order in VIX. It's one of the bigs.

02:12

4 ARBITRATOR ELKIND: Sorry.

02:12

5 That's the contract size, the number

02:12

6 of contracts, 100,000.

02:12

7 THE WITNESS: 100,000.

02:12

8 ARBITRATOR ELKIND: So when you

02:12

9 say -- so I'm -- correct me if my

02:12

10 understanding is off. I just want to

02:12

11 make sure I understand how you're

02:12

12 describing it.

02:12

13 So what you're describing is at

02:12

14 this time a transaction, which is

02:12

15 prearranged off the floor, verbally.

02:12

16 THE WITNESS: Yes.

02:12

17 ARBITRATOR ELKIND: Either by

02:12

18 phone or by electronic communication

02:13

19 device between your firm and

02:13

20 BlackRock.

02:13

21 THE WITNESS: That's right.

02:13

22 ARBITRATOR ELKIND: So it's not

02:13

23 put down to the floor to individual

02:13

24 brokers.

02:13

25 THE WITNESS: That's right.

02:13

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1 Direct - Andriesz (Brickman)

2 It's blocked for the market maker.

02:13

3 ARBITRATOR ELKIND: That's --

02:13

4 that's perhaps not uncommon in large

02:13

5 size trades.

02:13

6 THE WITNESS: Yes.

02:13

7 ARBITRATOR ELKIND: Okay.

02:13

8 Here's the question.

02:13

9 So at some point, at that time,

02:13

10 that trade has to be cleared by the --

02:13

11 the Exchange.

02:13

12 THE WITNESS: Yes.

02:13

13 ARBITRATOR ELKIND: Is it

02:13

14 announced on the floor, or is it -- is

02:13

15 it cross-traded on the floor?

02:13

16 THE WITNESS: You'll -- you'll

02:13

17 see the block go through as reported.

02:13

18 ARBITRATOR ELKIND: Is it an

02:13

19 electronic crossing or at that time

02:13

20 there's a human being crossing, floor

02:13

21 trader crossing?

02:13

22 THE WITNESS: The trader puts

02:13

23 the block through the exchange, so you

02:13

24 trade it off the exchange. You get

02:13

25 the block and then it gets seen by

02:13

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1 Direct - Andriesz (Brickman)

2 everyone.

02:13

3 ARBITRATOR ELKIND: Right, when

02:13

4 you say through the Exchange by --

02:13

5 THE WITNESS: On a system.

02:13

6 ARBITRATOR ELKIND: Directly on

02:14

7 the system, not through a floor

02:14

8 trader?

02:14

9 THE WITNESS: No, you've got the

02:14

10 system.

02:14

11 ARBITRATOR ELKIND: Got it.

02:14

12 That would be a price somewhere in

02:14

13 between the bid and the offer or at

02:14

14 the same price --

02:14

15 THE WITNESS: Way below the bid

02:14

16 he transacted. So he could have got

02:14

17 the full size done with the banks, but

02:14

18 he didn't.

02:14

19 ARBITRATOR ELKIND: One side

02:14

20 gets discounted, and another side

02:14

21 perhaps gets disadvantaged relative

02:14

22 to --

02:14

23 THE WITNESS: The client got

02:14

24 disadvantaged.

02:14

25 ARBITRATOR ELKIND: The small

02:14

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1 Direct - Andriesz (Brickman)

2 quantities, the depth of the market on

02:14

3 the floor of the Exchange, is that

02:14

4 what you're describing?

02:14

5 THE WITNESS: Sorry. Say that

02:14

6 again, sir.

02:14

7 ARBITRATOR ELKIND: To handle a

02:14

8 large transaction like that --

02:14

9 THE WITNESS: Yes.

02:14

10 ARBITRATOR ELKIND: -- usually

02:14

11 something gives on one side of the

02:14

12 trade or the other; is that correct?

02:14

13 In terms of -- there is a premium or a

02:14

14 discount to cross that type of an

02:14

15 amount; is that correct?

02:14

16 THE WITNESS: Yeah, he's --

02:14

17 you're not paying way or anything.

02:14

18 You're blocking it to get the size.

02:14

19 ARBITRATOR ELKIND: Right.

02:14

20 THE WITNESS: So if I'm trading

02:15

21 options, 10,000 in rates options, I

02:15

22 can go to a -- say the price is one

02:15

23 and a half, two. I can go to the

02:15

24 market maker and say it's offered in

02:15

25 20,000. And they'd go yes, and I'd

02:15



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1 Direct - Andriesz (Brickman)

2 just go block it.

02:15

3 But the price may be better

02:15

4 offer than that, and what I would

02:15

5 always do to follow best execution,

02:15

6 find the best price of a product,

02:15

7 wouldn't go to the market maker and

02:15

8 pay two when it's one and two offered.

02:15

9 I know it's offered. So I'll get --

02:15

10 that's why I've got clients for

02:15

11 25 years is because I look after them.

02:15

12 In this case there is a whole

02:15

13 desk, which was Bob Velez's desk,

02:15

14 trading VIX options. So they have all

02:15

15 the counterparties ready to take that

02:15

16 100,000 lot down. And he doesn't do

02:15

17 that. He circumvents the desk. Thus

02:15

18 annoying all of -- annoying is -- it's

02:15

19 not annoying. There were outraged,

02:15

20 complaints to the company, JPMorgan,

02:15

21 massive institutions, which BGC should

02:16

22 be looking after.

02:16

23 And they basically traded

02:16

24 through the price and blocked it with

02:16

25 the market maker. The reason he's

02:16

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1 Direct - Andriesz (Brickman)  
2 blocking it with market maker is he 02:16  
3 gets paid by the market maker. So if 02:16  
4 he goes to the pit or trades on a 02:16  
5 screen, he's going to get a rebate 02:16  
6 from the pit. He's not going to get 02:16  
7 paid by the market maker, and he's 02:16  
8 getting paid by the market maker. 02:16

9 And that's exactly why he did 02:16  
10 it, to increase the revenue for 02:16  
11 himself. That's greedy. 02:16

12 BY MR. BRICKMAN: 02:16

13 Q. So he got paid by both ends of 02:16  
14 the transaction? 02:16

15 A. That's right. 02:16

16 Q. Whereas usually you just get 02:16  
17 paid by one end of -- 02:16

18 A. If you went -- if you trade on 02:16  
19 the screen, you're trading with the market 02:16  
20 and not one market making company. 02:16

21 Q. Let's see if we can move on. 02:16

22 A. Yeah. 02:16

23 (Whereupon, Exhibit 64, E-mail 02:16  
24 chain, was identified.) 02:16

25 BY MR. BRICKMAN: 02:16

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1 Direct - Andriesz (Brickman)

2 Q. If you can turn to Tab 64. And 02:16  
3 the way you read this is the bottom e-mail 02:16  
4 is the start of the chain. So if you look 02:16  
5 at the second page, Simon. 02:17

6 A. Page 2, yeah, on the back page. 02:17

7 Q. That's the start of it. 02:17

8 So first tell me who John 02:17  
9 Ordonez is? 02:17

10 A. He's in the compliance 02:17  
11 department and producing reports to sign 02:17  
12 off on for the NFA, along with Mike 02:17  
13 Sulfaro and previously Steve Duchaine who 02:17  
14 was there when I first arrived. 02:17

15 Q. So did you receive this first 02:17  
16 e-mail from Mr. Ordonez on or about 02:17  
17 April 28th of 2015? 02:17

18 A. That's correct. 02:17

19 Q. And what is Mr. Ordonez saying 02:17  
20 to you starting on the second page? 02:17

21 A. He's saying that Richard Anthony 02:17  
22 wants to trade listed futures. And he's 02:18  
23 saying to me that JP needs to approve it. 02:18  
24 It was JP wanted him -- Jean-Pierre 02:18  
25 Aubin -- wanted him to trade it. Was 02:18

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1 Direct - Andriesz (Brickman)  
2 trying to push it through and grant him 02:18  
3 permission. 02:18  
4 Q. What is FFastFill? 02:18  
5 A. FFastFill is the trading 02:18  
6 system -- is the trading system. I 02:18  
7 believe they used FFastFill there, and the 02:18  
8 allocation systems. 02:18  
9 So basically what he's asking 02:18  
10 for is a trading screen away from the 02:18  
11 futures desk on a different floor without 02:18  
12 any supervision. And not only that, he 02:18  
13 wants -- he wants him to trade -- have the 02:18  
14 ability to trade S&P futures, which second 02:18  
15 to the VIX is one of the most volatile 02:18  
16 contracts to trade and the errors in that 02:18  
17 can be huge. 02:19  
18 Q. And so you quickly respond, 02:19  
19 going to the first page of this exhibit, 02:19  
20 to Mr. Ordonez's request, do you not? 02:19  
21 A. Yes, I do. 02:19  
22 Q. What do you tell him? 02:19  
23 A. I tell him I don't want to sign 02:19  
24 off on futures activities I can't monitor, 02:19  
25 which is a standard procedure. If I can't 02:19



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213

1 Direct - Andriesz (Brickman)

2 supervise, I'm not going to sign off on 02:19

3 his activities. 02:19

4 In addition, Mr. Velez was 02:19

5 giving me the background on Richard 02:19

6 Anthony and how much lavish entertainment 02:19

7 he was conducting. So I was very dubious 02:19

8 about this broker's character because of 02:19

9 what I was being told as the Series 30. 02:19

10 Because Bob Velez, even though he was head 02:20

11 of the equity division, reported to me as 02:20

12 the Series 30, which basically means you 02:20

13 sign off. That is not the Series 30 02:20

14 function in this desk. 02:20

15 Q. The last sentence you write: I 02:20

16 certainly would not be happy someone 02:20

17 trading futures unsupervised. 02:20

18 What did you mean by that? 02:20

19 A. Just as I said, I'm the Series 02:20

20 30. I'm the managing director, and I 02:20

21 don't know what he's doing. They are 02:20

22 trying to keep his activities away from 02:20

23 me. 02:20

24 CHAIRMAN KHEEL: Can you explain 02:20

25 why you reached that conclusion that 02:20

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1 Direct - Andriesz (Brickman)

2 BY MR. BRICKMAN:

02:22

3 Q. Well, let's get to that.

02:22

4 Mr. Ordenez responds to you,  
5 does he not?

02:22

02:22

6 A. Yeah.

02:22

7 Q. And what does he tell you as a  
8 heads-up?

02:22

02:23

9 A. According to Richard Anthony, JP  
10 has approved Richard to do futures  
11 business. Testified to install to  
12 FFastFill on this machine. Have you  
13 spoken to JP on the situation? Let me  
14 know.

02:23

02:23

02:23

02:23

02:23

02:23

15 I did speak to JP. And I spoke  
16 to compliance -- basically, JP's business  
17 manager -- it's just a complete breach of  
18 regulations.

02:23

02:23

02:23

02:23

19 Q. And what was their response to  
20 you?

02:23

02:23

21 A. I think they were overruled by  
22 Mr. Aubin. Eventually he didn't -- I  
23 didn't allow it.

02:23

02:23

02:23

24 Q. Well, did Mr. Anthony trade  
25 futures?

02:23

02:23

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1 Direct - Andriesz (Brickman)

2 A. He wasn't trading -- he didn't 02:23  
3 get the screen. That doesn't mean he 02:23  
4 wasn't trading futures. I have no idea. 02:23

5 Q. Well, didn't -- did your 02:23  
6 concerns come to fruition in terms of this 02:23  
7 VIX trade you were just talking about? 02:23

8 A. The VIX trade -- 02:23

9 MR. SHAH: Objection. I have to 02:23  
10 be able to object. I think that he's 02:23  
11 mischaracterizing testimony. I think 02:23  
12 these are different products. You 02:24  
13 might want to clarify that. 02:24

14 BY MR. BRICKMAN: 02:24

15 Q. Was the VIX trade you talked 02:24  
16 about, was that futures? 02:24

17 A. It was a VIX option -- VIX 02:24  
18 option contract 100,000, so it would be 02:24  
19 listed. 02:24

20 Q. It's a listed product. But is 02:24  
21 it within your bailiwick? 02:24

22 A. I didn't trade -- I very rarely 02:24  
23 traded VIX options. That was -- that was 02:24  
24 supervised by Bob Velez. That's why 02:24  
25 Richard Anthony was connected to Bob Velez 02:24